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November 14, 2025

Consolidated Financial Results for the Six Months Ended September 30, 2025 [Japanese GAAP]

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 Stock exchange listing: Tokyo Stock Exchange
 Code number: 3237
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 Scheduled date to commence dividend payments: None
 Preparation of supplementary material on financial results: None
 Schedule of quarterly financial results briefing session: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1.Consolidated Financial Results for the Six months Ended September 30, 2025 (April 1, 2025 to September 30, 2025)

(1) Consolidated Operating Results (Cumulative)

(% indicates changes from the previous corresponding period.)

	Net Sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Milliom of Yen	%	Milliom of Yen	%	Milliom of Yen	%	Milliom of Yen	%
First six months FY 2025	514	36.1	(213)	—	(237)	—	(238)	—
FY 2024	377	(49.4)	(177)	—	(195)	—	(196)	—

(Note) Comprehensive income: For the Six months ended September 30, 2025: (235) million yen [(-)%]

For the Six months ended September 30, 2024: (201) million yen [(-)%]

	Earnings per share	Fully diluted earnings per share
	Yen	Yen
First six months FY 2025	(5.13)	—
FY 2024	(4.28)	—

(2) Summary of consolidated balance sheet

	Total assets	Total net assets	Equity ratio
	(Millions of yen)	(Millions of yen)	%
As of Sep 30, 2025	1,104	500	42.5
As of Mar 31, 2025	1,059	735	66.5

Reference: Equity: As of September 30, 2025: 469 million yen As of March 31, 2025: 704 million yen

2. Dividends

	Annual dividends				
	Q1 (Yen)	Q2 (Yen)	Q3 (Yen)	Year-end (Yen)	Total (Yen)
FY2024 ended March 31 2025	Yen —	Yen 0.00	Yen —	Yen 0.00	Yen 0.00
FY2025 ended March 31 2026	—				
FY2025 ending March 31, 2026 (Forecast)		0.00	—	0.00	0.00

Note: Revisions to the forecasts of dividends most recently announced: None

3. Forecast for Fiscal Year 2025 Ending March 31, 2026

(% indicates year-on-year change.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Yen)
Full-year forecast	2,249	172.7	92	—	82	—	55	—	1.19

Note: Revisions to the forecasts most recently announced: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: — (Company name: —)

Excluded: — (Company name: —)

(2) Application of Accounting Treatment Specific to the Preparation of Interim Consolidated Financial Statements: None

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2025: 46,552,784 shares

As of March 31, 2025: 46,552,784 shares

2) Number of treasury shares at the end of the period

As of September 30, 2025: 60,400 shares

As of March 31, 2025: 60,400 shares

3) Average number of shares (cumulative from the beginning of the fiscal year)

Six months September 30, 2025: 46,492,384 shares

Six months September 30, 2024: 45,812,967 shares

* Reviews by certified public accountants or an audit corporation of the accompanying interim consolidated financial statements: None

* Proper use of forecasts, and other special matters

(Disclaimer)

The forecasts and other forward-looking statements in this report are based on currently available information and certain assumptions determined as rational. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual performance may significantly differ from these forecasts due to various factors in the future.

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1. Overview of Operating Results and Financial Position

(1) Overview of Financial Results

During the interim consolidated accounting period (April 1, 2025 to September 30, 2025), the Japanese economy continued on a moderate recovery path, supported by improvements in employment and income conditions.

However, the outlook remains uncertain due to concerns such as persistently high interest rates in Europe and the United States, the ongoing stagnation of China's real estate market, rising prices, geopolitical risks, financial market trends, and uncertainty surrounding U.S. trade policy.

In this environment, in the real estate industry in which the company's operates, interest in domestic properties from overseas investors remains high, due to the continued low-interest rate environment and the weak yen. Both supply and demand continue to be robust. However, caution remains necessary due to factors such as rising real estate prices driven by soaring costs for land and construction work.

Furthermore, in the hotel operational sector where the company focuses our efforts, the number of inbound tourists and their spending are progressing at a pace exceeding the record highs set in the previous fiscal year, and the company expects this trend to continue.

Under these circumstances, the company has accelerated initiatives in hotel operations, a new business domain, alongside our longstanding real estate business, aiming to expand our business scope and enhance corporate value.

The company's target business model is to generate stable income from real estate while pursuing high growth in hotel operations. The company's core strategy is to expand hotel operating income by promoting "Urban apartment hotel development" and "Regional revitalization hotel investment."

Accordingly, in the real estate business, the company has focused not only on property management but also on the development and sale of inbound accommodation facilities, which can generate revenue in a shorter time, as well as the purchase and sale of inbound accommodation facilities.

In the hotel operational business, the company has concentrated on securing operating rights for Urban apartment hotels, aimed at managing newly developed hotels in addition to existing ones, and on activities to secure operating rights for resort hotels and traditional inns.

In the other businesses, the company consolidated subsidiary, Intrance Shanghai., has promoted inbound customer sending, including to our group's hotels. Concurrently, centered on our consolidated subsidiary, Japan Hotel Investment Co., Ltd., the company has focused on fundraising activities aimed at establishing and operating funds for investing in hotel facilities.

As a result, net sales for the current interim consolidated accounting period were ¥514,133 thousand (36.1% increase compared to the previous interim consolidated accounting period), operating loss was ¥213,851 thousand (compared to an operating loss of ¥177,925 thousand in the previous interim consolidated accounting period), ordinary loss of ¥237,849 thousand (compared to an ordinary loss of ¥195,369 thousand in the previous interim period), and net loss attributable to owners of the parent for the interim period of ¥238,666 thousand (compared to a net loss attributable to owners of the parent for the previous interim period of ¥196,192 thousand).

Segment information are as follows.

(Real estate business)

Regarding the real estate business, during the current interim consolidated accounting period, the company focused primarily on property management services, the resale of traditional inns, the development and sale of inbound accommodation facilities, and real estate sales.

Revenue reached ¥148,689 thousand (41.7% increase compared to the previous interim consolidated accounting period), and segment profit (operating profit) reached ¥13,271 thousand (397.7% increase compared to the previous interim consolidated accounting period).

(Hotel Management Business)

Regarding the hotel operational business, during the current interim consolidated accounting period, the company promoted the operation of existing hotels and focused on securing new development opportunities and operating rights for existing hotels and inns. However, the company were unable to secure new operating rights.

Revenue was ¥365,245 thousand (33.8% increase compared to the previous interim consolidated accounting period), and segment loss (operating loss) was ¥15,208 thousand (compared to an

operating loss of ¥22,914 thousand in the previous interim period).

(Other business)

Regarding other businesses, during the current interim consolidated accounting period, the company promoted the inbound customer sending business at our consolidated subsidiary, Inrance Shanghai.

However, as this business currently handles customer to hotels within the group, revenue has been limited.

Additionally, the company pursued efforts to secure investors for fund raise and other initiatives related to hotel investment projects centered on Japan Hotel Investment Co., Ltd. However, no significant progress was made.

For this business segment, revenue amounted to ¥198 thousand (no revenue in the previous interim consolidated accounting period), and segment loss (operating loss) was ¥11,655 thousand (operating loss of ¥12,936 thousand in the previous interim consolidated accounting period).

(2) Overview of Financial Position

a. Assets, Liabilities and Net Assets

(Assets)

Assets at the end of the interim period under review show current assets increased by ¥52,477 thousand compared to the end of the previous fiscal year, reaching ¥767,105 thousand. This increase was primarily due to a ¥74,915 thousand increase in real estate for sale. Fixed assets decreased by ¥5,120 thousand compared to the end of the previous fiscal year, totaling ¥331,702 thousand. This decrease was primarily due to a ¥3,570 thousand decrease in investments and other assets. Deferred assets decreased by ¥1,754 thousand to ¥6,139 thousand, mainly due to a decrease in start-up costs. Consequently, total assets increased by ¥45,601 thousand compared to the end of the previous fiscal year, reaching ¥1,104,948 thousand.

(Liabilities)

Liabilities at the end of the current interim consolidated accounting period, current liabilities increased by ¥273,647 thousand compared to the end of the previous consolidated fiscal year, reaching ¥519,177 thousand. This was primarily due to an increase of ¥260,000 thousand in bonds due within one year, among other factors. Non-current liabilities increased by ¥7,487 thousand compared to the end of the previous fiscal year, reaching ¥85,573 thousand. This was mainly due to an increase of ¥8,743 thousand in derivative liabilities. As a result, total liabilities increased by ¥281,134 thousand compared to the end of the previous fiscal year, reaching ¥604,751 thousand.

(Net assets)

Net assets at the end of the interim period decreased by ¥235,532 thousand compared to the end of the previous fiscal year, amounting to ¥500,196 thousand. This decrease was primarily due to a ¥238,666 thousand reduction in retained earnings resulting from the recording of an interim net loss attributable to owners of the parent company.

b. Cash Flow Status

The balance of cash and cash equivalents (hereinafter referred to as “funds”) at the end of the current interim consolidated accounting period was ¥531,851 thousand. The status of each cash flow during the current interim consolidated accounting period is as follows.

(Cash Flows from Operating Activities)

Funds used in operating activities amounted to ¥254,052 thousand (compared to ¥240,208 thousand used in the previous interim consolidated accounting period). This was primarily due to factors including an interim net loss before income taxes of ¥237,849 thousand and expenditures of ¥74,999 thousand for increases in inventories.

(Cash Flows from Investing Activities)

Funds provided by investing activities amounted to ¥1,929 thousand (compared to ¥253,794 thousand used in the previous interim period). This was primarily due to other income.

(Cash Flows from Financing Activities)

Net cash provided by financing activities amounted to ¥249,284 thousand (compared to ¥289,091 thousand provided in the previous interim period). This was primarily due to proceeds from the issuance of bonds of ¥256,888 thousand, among other factors.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Information

There are no changes to the consolidated earnings forecast announced in the “Summary of Financial Results for the Fiscal Year Ended March 2026” dated May 14, 2025.

This forecast is based on information available as of the date of this announcement, and actual results may differ from the forecast figures due to various factors in the future. We will carefully assess events that may affect our business and promptly disclose any necessary revisions in the future.

(4) Significant Events Related to the Going Concern Assumption

The company recorded significant operating losses, ordinary losses, and net losses attributable to owners of the parent for three consecutive fiscal years in the previous consolidated fiscal year. It also recorded significant negative operating cash flow, reducing cash and deposits to ¥535 million.

During the current interim consolidated accounting period, the company again recorded significant operating losses, ordinary losses, and interim net losses, along with significant negative operating cash flow.

Consequently, circumstances continue to exist that raise significant doubt about the company's ability to continue as a going concern.

To resolve this situation, the company is implementing the following countermeasures.

a. Improving the business's revenue structure

The company's target business model aims for stable revenue from real estate operations while pursuing high growth in hotel management. The company's core strategy is to expand hotel management revenue by promoting “Urban apartment hotel development” and “Regional revitalization hotel investments.”

However, while the company has achieved some success in securing operating rights for apartment hotels—which are developed with the goal of operating new hotels and are expected to generate significant future revenue in several years—we have not yet secured new operating rights for existing resort hotels or traditional inns. Furthermore, in the company's real estate business, which the company's view as a stable revenue base in the short to medium term, the company has seen some results in the development and sale of inbound accommodation facilities, however progress has been delayed.

Therefore, the company is implementing the following measures to improve profitability across each business segment.

(Real Estate Business)

In the real estate business, the company will focus on the resale of lodging facilities expected to generate short to medium term profits, project management for resort facility development, and the development and sale of inbound accommodation facilities. Furthermore, the company will shift human resources within the real estate business to these initiatives, aiming to secure a revenue base that sufficiently covers the company's selling, general, and administrative expenses.

(Hotel Management Business)

In the hotel management business, centered on the company's hotel management company, Intrans Hotels and Resorts Co., Ltd., the company will focus on securing hotel operating rights, acquiring management contracts, and consulting projects to increase the number of transactions. Furthermore, the company will acquire personnel well-versed in hotel operations within our company, aiming to expand the scale of the hotel management business and maximize profits.

(Other Businesses)

In the inbound customer sending business, under the management of our group company, Intrans

Shanghai, the company will promote customer sending from Greater China to our group hotels and work to reduce the deficit in this business.

In the investment business, through the management of the company's group companies Japan Hotel Investment Co., Ltd. and Hospitality Investment LLC, the company will focus on funding activities related to the company's core businesses of real estate and hotel operations, providing support to ensure the smooth operation of the group's businesses.

b. Cost Structure Improvement

The company is implementing reductions in executive compensation and simultaneously reviewing outsourced operations. Furthermore, the company will examine and implement various measures to enhance labor productivity.

Additionally, the company will pursue cost structure improvements by reviewing costs associated with our businesses and curbing selling, general, and administrative expenses.

c. Fundraising

At the Board of Directors meeting held on May 8, 2025, a resolution was passed to issue corporate bonds with Delight Works Co., Ltd. as the underwriter. The proceeds of ¥260 million were received on May 9 of the same month.

Additionally, regarding further future funding, the company will promptly consider and implement borrowing from various financial institutions and raising funds through stock issuance to rebuild our cash position.

Based on these countermeasures, the company has determined that no significant uncertainty exists regarding the going concern assumption.

2. Semi-annual Consolidated Financial Statements and Principal Notes

(1) Semi-annual Consolidated Balance Sheet

(Thousand of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	535,806	531,851
Accounts receivable - trade	100,458	84,234
Real estate for sale	40,883	115,749
Other inventories	1,224	1,358
Other	36,496	34,152
Allowance for doubtful accounts	(240)	(240)
Total current assets	714,628	767,105
Non-current assets		
Property, plant and equipment	5,724	5,317
Intangible assets	8,550	7,406
Investments and other assets		
Long-term deposits	222,887	222,887
Other	169,662	166,091
Allowance for doubtful accounts	(70,000)	(70,000)
Total investments and other assets	322,549	318,978
Total non-current assets	336,823	331,702
Deferred asset	7,893	6,139
Total assets	1,059,346	1,104,948
Liabilities		
Current liabilities		
Accounts payable - trade	2,665	2,654
Corporate bonds due within one year	—	260,000
Current portion of long-term debt	8,120	4,080
Provision for bonuses	7,252	5,024
Allowance for shareholder special benefit	43,505	68,375
Other	183,987	179,043
Total current liabilities	245,530	519,177
Non-current liabilities		
Long-term borrowings	1,020	—
Derivative liabilities	76,830	85,573
Other	236	—
Total non-current liabilities	78,086	85,573
Total non-current liabilities	323,616	604,751
Net assets		
Shareholders' equity		
Paid-in capital	1,444,427	1,444,427
Capital surplus	1,214,426	1,214,426
Retained earnings	(1,938,897)	(2,177,564)
Treasury shares	(2,476)	(2,476)
Total shareholders' equity	717,480	478,813
Accumulated other comprehensive income		
Foreign currency translation adjustment	(12,655)	(9,521)
Total accumulated other comprehensive income	(12,655)	(9,521)
Share acquisition rights	30,904	30,904
Total net assets	735,729	500,196
Total liabilities and net assets	1,059,346	1,104,948

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statement of Income Six Months Ended September 30

(Thousand of yen)

	FY2024 (From April 1, 2024 to September 30, 2024)	FY2025 (From April 1, 2025 to September 30, 2025)
Net sales	377,864	514,133
Cost of sales	93,152	122,778
Gross profit	284,711	391,354
Selling, general and administrative expenses	462,637	605,206
Operating income (loss)	(177,925)	(213,851)
Non-operating income		
Interest received	78	562
Foreign exchange gains	6,071	—
Other	883	101
Total non-operating income	7,033	663
Non-operating expenses		
Interest expenses	302	3,136
Bond issuance costs	—	3,111
Share issuance expenses	1,974	—
Amortization of business expenses	1,754	1,754
Commission expenses	1,500	2,085
Loss on valuation of derivatives	18,946	8,743
Foreign exchange loss	—	4,196
Other	—	1,634
Total non-operating expenses	24,477	24,661
Ordinary loss	(195,369)	(237,849)
Income (Loss) before income taxes	(195,369)	(237,849)
Income taxes -current	822	817
Profit (Loss)	(196,192)	(238,666)
Profit (Loss) attributable to owners of parent	(196,192)	(238,666)

Semi-annual Consolidated Statement of Comprehensive Income

Six Months Ended September 30

(Thousand of yen)

	FY2024 (From April 1, 2024 to September 30, 2024)	FY2025 (From April 1, 2025 to September 30, 2025)
Profit (Loss)	(196,192)	(238,666)
Other comprehensive income		
Foreign currency translation adjustment	(5,518)	3,134
Total other comprehensive income	(5,518)	3,134
Comprehensive income	(201,710)	(235,532)
(details)		
Comprehensive income attributable to owners of parent	(201,710)	(235,532)
Comprehensive income attributable to non-controlling interests	—	—

(3) Semi-Annual Consolidated Statement of Cash Flows

(Thousand of yen)

	FY2024 (From April 1, 2024 to September 30, 2024)	FY2025 (From April 1, 2025 to September 30, 2025)
Cash flows from operating activities		
Income (Loss) before income taxes	(195,369)	(237,849)
Depreciation and amortization	1,568	1,550
Amortization of opening costs	1,754	1,754
Loss on valuation of derivatives	18,946	8,743
Increase (decrease) in allowance for doubtful accounts	(114)	—
Increase (decrease) in provision for bonuses	315	(2,227)
Increase (decrease) in allowance for shareholders' special benefits	(38,737)	24,870
Interest and dividend income	(78)	(562)
Interest expenses	302	3,136
bond issuance costs	—	3,111
Share issuance expenses	1,974	—
Decrease (increase) in trade receivables	7,346	16,223
Decrease (increase) in inventories	2,322	(74,999)
Decrease (increase) in other assets	(12,501)	2,259
Increase (decrease) in other liabilities	(21,035)	(6,684)
Other, net	(4,959)	7,865
Subtotal	(238,264)	(252,809)
Interest and dividend income received	78	562
Interest expenses paid	(323)	(56)
Income taxes paid and received	(1,698)	(1,748)
Net cash provided by (used in) operating activities	(240,208)	(254,052)
Cash flows from investing activities		
Purchase of intangible assets	(2,294)	—
Payments for long-term deposits	(240,000)	—
Other, net	(11,500)	1,929
Net cash provided by (used in) investing activities	(253,794)	1,929
Cash flows from financing activities		
Proceeds from issuance of bonds	—	256,888
Repayment of long-term debt	(17,060)	(5,060)
Repayment of lease obligations	(443)	(458)
Proceeds from issuance of shares upon exercise of stock acquisition rights	307,224	—
Other, net	(630)	(2,085)
Net cash provided by (used in) financing activities	289,091	249,284
Effect of exchange rate change on cash and cash equivalents	330	(1,117)
Net increase (decrease) in cash and cash equivalents	(204,581)	(3,955)
Cash and cash equivalents at beginning of period	890,040	535,806
Cash and cash equivalents at end of period	685,459	531,851

(4) Notes to Semi-annual Consolidated Financial Statements

(Segment information, etc.)

(Note on Segment information)

I. For the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

Information on sales revenue and profit or loss by reportable segments

(Thousand of yen)

	Reportable segments			Other (Note 1)	Adjustment (Note 2)	Total (Note 3)
	Real estate	Hotel operation	Total			
Sales revenue						
Sales revenue to outside customers	102,018	272,898	374,916	—	—	374,916
Revenue from other sources	2,948	—	2,948	—	—	2,948
Sales to external customers	104,966	272,898	377,864	—	—	377,864
Inter-segment sales or transfers	—	—	—	—	—	—
Total						
Segment profit (loss)	2,666	(22,914)	(20,248)	(12,936)	(144,740)	(177,925)

(Note) 1. The “Other” segment is a business segment not included in the reportable segments and mainly consists of the customer sending business from China.

2. Adjustment of segment profit (loss) is the cost of head office expenses that do not belong to the reportable segments.

3. Total segment profit (loss) is adjusted with operating loss in the interim consolidated statements of income.

II. For the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

Information on sales revenue and loss by reportable segments.

(Thousand of yen)

	Reportable segments			Other (Note 1)	Adjustment (Note 2)	Total (Note 3)
	Real estate	Hotel operation	Total			
Sales revenue						
Sales revenue to outside customers	148,452	365,245	513,697	198	—	513,896
Revenue from other sources	237	—	237	—	—	237
Sales to external customers	148,689	365,245	513,934	198	—	514,133
Inter-segment sales or transfers	—	157	157	174	(331)	—
Total	148,689	365,402	514,092	372	(331)	514,133
Segment Loss	13,271	(15,208)	(1,937)	(11,655)	(200,258)	(213,851)

(Note) 1. The “Other” segment is a business segment not included in the reportable segments and mainly consists of the customer sending business from China.

2. Adjustment of segment loss is the cost of head office expenses that do not belong to the reportable segments.

3. Total segment loss is adjusted with operating loss in the interim consolidated statements of income.

(Notes on Significant Changes to Shareholders' Equity)

Previous Interim Consolidated Accounting Period (April 1, 2024 to September 30, 2024)

1. Dividends paid

Not applicable

2. Dividends whose record date belongs to the current interim consolidated accounting period however whose effective date is after the end of the current interim consolidated accounting period

Not applicable

3. Significant changes in shareholders' equity

During the current interim consolidated accounting period, the issuance of new shares upon the exercise of the 7th and 8th share acquisition rights increased capital share and capital surplus by ¥159,122 thousand each. As a result, at the end of the current interim consolidated accounting period, capital share stood at ¥1,442,327 thousand and capital surplus at ¥1,212,326 thousand.

Current interim consolidated accounting period (April 1, 2025 to September 30, 2025)

1. Dividends paid

Not applicable

2. Dividends whose record date belongs to the current interim consolidated accounting period however whose effective date is after the end of the current interim consolidated accounting period

Not applicable

3. Significant changes in shareholders' equity

Not applicable

(Notes on going concern assumption)

Not applicable